



April 28th, 2019

Re: City of Houston Water Rights

Dear Members of the Houston State Legislative Delegation:

As part of the City of Houston Delegation, Mayor Sylvester Turner directs our office to keep you updated on specific issues that affect Houston as a whole.

House Bill 2846 by Chairman Lyle Larson is one such measure that specifically affects the water rights of the City of Houston.

Background Summary

In 1999, the City of Houston was asked by the members of the Lower Brazos Basin Water Alliance (Alliance) to take the lead in their joint efforts to preserve the Allens Creek Reservoir site and in the ultimate development of the reservoir's water supply. The members of the Alliance included Brazos River Authority (BRA), Gulf Coast Water Authority, City of Houston, City of Missouri City, City of Richmond, City of Rosenberg, City of Stafford, City of Sugarland and WCID #2.

Allens Creek Reservoir will be an off-channel reservoir on Allens Creek in Austin County. This reservoir was originally permitted by Houston Lighting and Power (HL&P – a predecessor of Reliant Energy) in 1974 to provide cooling water for a proposed nuclear power plant. The power plant was not built and, eventually, HL&P allowed the water right permit for the reservoir to expire. After much effort, expense and debate, the Texas Legislature passed SB 1593 in 1999 instructing the Texas Natural Resource Conservation Commission, predecessor to Texas Commission on Environmental Quality, to resurrect the water right and grant it to the Texas Water Development Board (TWDB).

Current Status

The City of Houston and Brazos River Authority acquired the 9,500-acre Allens Creek Reservoir site from Reliant Energy. The resulting joint project between the City of Houston, the BRA and the TWDB allows the sharing of cost and water. The City of Houston will own 70 percent of the water and BRA will own 30 percent. The City of

Houston is committed to construction of Allens Creek for the benefit of the citizens and industry of Lower Brazos Basin.

Importantly, the City of Houston is the water supplier to the Houston region, including industry on the Houston Ship Channel. The City also is the provider to the North Harris County Regional Water Authority, West HCRA, Central HCRA and will be to the North Fort Bend Regional Water Authority. In fact, the reservoir was envisioned to be used for the Fort Bend and West Houston. To be clear on the scale of this, Allens Creek is 15% of the City's water assets.

House Bill 2846

The provisions with HB 2846 would mandate that the water rights currently owned by the City of Houston would transfer to the Brazos River Authority for their construction of the project.

Houston has spent \$23 million through the Texas Water Development Board so far on the Allens Creek Project. House Bill 2846 was amended to reimburse Houston up to \$23 million but is not compensated for the loss of 15% of the City's water assets. Mayor Turner is asking you oppose this measure. Contracts involving water rights should be made at the local level, not in Austin. If you have questions regarding this project, our office is ready to assist in answering.